

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF JACKSON	)	
ENERGY COOPERATIVE FOR	)	CASE NO. 2007-00333
AN ADJUSTMENT OF RATES	)	

O R D E R

On November 13, 2007, Jackson Energy Cooperative (“Jackson Energy”) tendered an application for authority to increase its base rates by \$6,201,363, an 8.79 percent increase over its normalized revenues. A review of the application revealed that it did not meet the minimum filing requirements set forth in 807 KAR 5:001, Sections 10(1)(b)(8) and 10(4)(c), and a notice of filing deficiencies was issued. Jackson Energy submitted additional information to correct the deficiencies on December 6, 2007, and the application was accepted for filing on that date.

Jackson Energy is a consumer-owned rural electric cooperative organized pursuant to KRS Chapter 279 and is engaged in the distribution and sale of electric energy to approximately 51,460 customers in Breathitt, Clay, Estill, Garrard, Jackson, Laurel, Lee, Leslie, Lincoln, Madison, Owsley, Powell, Pulaski, Rockcastle, and Wolfe counties.<sup>1</sup> Jackson Energy’s last general electric base rate adjustment was authorized on May 21, 2001 in Case No. 2000-00373.<sup>2</sup>

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<sup>1</sup> Jackson Energy’s Annual Report to the Public Service Commission of Kentucky for the year ended December 31, 2007 at 17-19.

<sup>2</sup> Case No. 2000-00373, The Application of Jackson Energy Cooperative Corporation for an Adjustment of Rates (Ky. PSC May 21, 2001).

To determine the reasonableness of Jackson Energy's proposal, the Commission suspended the proposed rates, pursuant to KRS 278.190(2), for 5 months from their effective date up to and including June 6, 2008. The Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention ("AG"), was granted full intervention in this proceeding on December 17, 2007.

During the proceeding, Jackson Energy notified the Commission that the parties had engaged in settlement discussions and requested that the Commission schedule an informal conference to discuss the settlement that had been reached with the AG. After notice to all parties, an informal conference was held at the Commission's offices on April 7, 2008. A Joint Settlement Stipulation and Recommendation ("Joint Settlement") with supporting documentation was filed with the Commission on April 9, 2008, and a hearing on the merits of the Joint Settlement was held on April 15, 2008.

Under the provisions of the Joint Settlement, which is appended hereto as Appendix A, Jackson Energy will be granted a revenue increase of \$6,234,827, which is approximately \$33,500 greater than the amount proposed in Jackson Energy's application.<sup>3</sup> The Joint Settlement also provides for increases in depreciation rates as proposed in Jackson Energy's application; however, it is silent as to the effective date of the new depreciation rates.

The matter of the effective date of the new depreciation rates was raised at the April 15, 2008 hearing, at which time Jackson Energy indicated its preference for having

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<sup>3</sup> During the discovery phase of the case, Jackson Energy acknowledged that it understated the amount of its proposed increase by inadvertently omitting an annual amortization of approximately \$470,000 that is to be in effect for 25.5 years pursuant to the Commission's final Order in Case No. 2000-00373.

the rates effective retroactive to January 1, 2008. Subsequent to the hearing, the AG submitted a letter stating that he did not oppose Jackson Energy's preferred date.

After careful review of the Joint Settlement and the record in this proceeding, and being otherwise sufficiently advised, the Commission finds that the \$6,234,827 revenue increase and the proposed rates provided for in the Joint Settlement will result in fair, just, and reasonable rates for Jackson Energy to charge for electric energy service. The Commission further finds that the Joint Settlement is in the public interest and should be approved. Our approval of the Joint Settlement is based solely on its reasonableness in toto and does not constitute approval of any rate-making adjustment.

As to the effective date of the new depreciation rates agreed upon as part of the Joint Settlement, the Commission has significant concerns. Based on the requirements of Jackson Energy's mortgage agreements with its primary lender, the Rural Utilities Service, Jackson Energy must achieve an average Times Interest Earned Ratio ("TIER") of 1.25 for two of the most recent three calendar years. Since its TIERs for 2006 and 2007 were 0.74 and 0.84, respectively, it must achieve a TIER of 1.66 for 2008 to avoid a mortgage default. The information in the record of this proceeding regarding Jackson Energy's financial condition supports the Commission's finding that increasing the cooperative's depreciation rates and depreciation expense more than 5 months prior to the effective date of increasing its rates for electric service will only exacerbate its already weak financial condition. In an effort to improve Jackson Energy's financial condition, and hopefully avoid a technical default, the new depreciation rates should be made effective on a prospective-only basis, subsequent to the date of this Order.

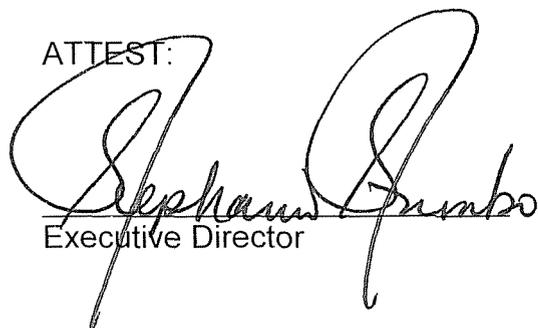
IT IS THEREFORE ORDERED that:

1. The rates and charges proposed by Jackson Energy are denied.
2. The Joint Settlement, appended hereto as Appendix A, is incorporated into this Order as if fully set forth herein.
3. The Joint Settlement is adopted and approved in its entirety.
4. The rates set forth in Appendix B are approved for service rendered by Jackson Energy on and after June 6, 2008.
5. The revised depreciation rates, as agreed upon in the Joint Stipulation, are approved for implementation by Jackson Energy for accounting purposes effective July 1, 2008.
6. Within 20 days of the date of this Order, Jackson Energy shall file new tariff sheets setting forth the rates and charges approved herein and reflecting their effective date and that they were authorized by this Order.

Done at Frankfort, Kentucky, this 5<sup>th</sup> day of June, 2008.

By the Commission

ATTEST:

  
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2007-00333 DATED JUNE 5, 2008

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF JACKSON	)	
ENERGY COOPERATIVE FOR	)	CASE NO. 2007-00333
AN ADJUSTMENT OF RATES	)	

JOINT SETTLEMENT STIPULATION AND RECOMMENDATION

It is the intent and purpose of the parties to this proceeding, being the applicant, Jackson Energy Cooperative Corporation (“Jackson Energy”) and the intervenor, Attorney General of the Commonwealth of Kentucky (“Attorney General”) to express their agreement on a mutually satisfactory resolution of all of the issues in the instant proceeding which shall hereafter be referred to as the “Stipulation” and/or the “Recommendation.”

It is understood by all parties hereto that this Recommendation is not binding upon the Kentucky Public Service Commission (“Commission”), nor does it represent agreement on any specific theory supporting the appropriateness of any recommended adjustments to Jackson Energy’s rates. The parties have expended considerable efforts to reach the stipulation and agreements that form the basis for this Recommendation. The parties, representing diverse interests and divergent viewpoints, agree that this Recommendation, viewed in its entirety, constitutes a reasonable resolution of all issues in this proceeding.

In addition, the adoption of this Recommendation will eliminate the need for the Commission and the parties to expend considerable resources in litigation of this

proceeding, and will eliminate the possibility of, and any need for, rehearing or appeals of the Commission's final order herein. Based upon the parties' participation in settlement conferences and the materials on file with the Commission, and upon the belief that these materials adequately support this Stipulation and Recommendation, the parties hereby stipulate and recommend the following:

1. Jackson Energy filed an application for a rate adjustment, seeking, in its application, a total increase in the amount of \$6,201,363. Subsequently, in response to certain data requests from the Commission, Jackson Energy sought a total increase in the amount of \$6,740,627. The parties hereto agree that Jackson Energy should be permitted to adjust its rates in order to permit it to recover more in annual revenue than it is currently recovering under its current rates, with such rates to be effective for service rendered after June 6, 2008. The attachments hereto reflect a stipulated and amended rate increase amount of \$6,234,827.00.

2. Jackson Energy's proposed tariff revisions should be adopted as are reflected in its original application and subsequent filings as amended by this Stipulation and Recommendation. The attachments hereto consist of the amended tariffs which reflect the stipulated adjustment in rates.

3. It is the purpose and intent of the parties hereto that the revision in rates for Jackson Energy result in a minimum of a 2.0 TIER (times interest earned ratio), which is a reflection of the financial health of Jackson Energy, and the revision in rates as proposed by this Recommendation and Stipulation will result in such a TIER rating.

4. As part of this litigation and in response to the Commission's order in Case No. 2000-00373, Jackson Energy has also applied for a revision of certain rate

schedules, which primarily consists of the consolidation of several rate schedules as follows:

- a. Rate schedule 30 (large power less than 50 kW), and rate schedule 33 (water pumping) will be consolidated into rate schedule 20 (commercial, small power, and 3-phase).
- b. Rate schedule 43 (large power, over 275 kW) will be consolidated into rate schedule 40 (large power, 50 kW to 275 kW).
- c. Rate schedule 60 (schools, churches, and community halls) will be consolidated into rate schedule 50 (schools, churches, and community halls).
- d. Rate schedule 01 (special dual fuel) will be consolidated into rate schedule 10 (residential, farm, and non-farm).

The parties hereto agree to the revision and consolidation of these rate schedules as set out herein.

5. The parties further note and agree that since Jackson Energy's last rate proceeding (Case No. 2000-373), pursuant to order of the Commission, Jackson Energy has commissioned a depreciation study. Instead of utilizing the depreciation amounts and methods set forth in the study, the parties agree that the depreciation amounts and methods proposed by Jackson Energy in its application and further filings in this proceeding, being less aggressive than those proposed by the study, and being in accordance with the methods sanctioned by the Commission, are reasonable and just and should be adopted and implemented.

6. Each party hereto waives all cross-examination of witnesses of the other parties hereto unless the Commission disapproves this Recommendation, and each party

further stipulates and recommends that the Notice of Intent, Application, testimony, pleadings, and responses to data requests filed in this proceeding be admitted into the record.

7. This Recommendation is submitted for purposes of this case only and is not deemed binding upon the parties hereto in any other proceeding, nor is it to be offered or relied upon in any other proceeding involving Jackson Energy or any other utility.

8. If the Commission issues an order adopting this Recommendation in its entirety, each of the parties hereto agrees that it shall file neither an application for rehearing with the Commission, nor an appeal to the Franklin County Circuit Court with respect to such order.

9. If this Recommendation is not adopted in its entirety, each party reserves the right to withdraw from it and require that hearings go forward upon any and all matters involved herein, and that in such event the terms of this Recommendation shall not be deemed binding upon the parties hereto, nor shall such Recommendation be admitted into evidence, or referred to, or relied upon in any manner by any party hereto, the Commission or its Staff in any such hearing.

10. Attached to this Stipulation and Recommendation are proof of revenue sheets showing that the proposed rates will generate the proposed revenue increase to which the parties have agreed in paragraph (1) of this Stipulation.

11. The parties hereto agree that the foregoing Recommendation is reasonable and is in the best interests of all concerned, and urge the Commission to adopt this Recommendation in its entirety.

This the 9<sup>th</sup> day of April, 2008.

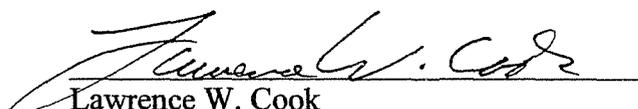
By:

JACKSON ENERGY COOPERATIVE

  
Donald R. Schaefer  
President and CEO

  
Clayton O. Oswald  
Attorney for Jackson Energy Cooperative

KENTUCKY ATTORNEY GENERAL

  
Lawrence W. Cook  
Assistant Attorney General

**JACKSON ENERGY COOPERATIVE  
CASE NO. 2007-00333**

**INDEX OF EXHIBITS**

- I. Revised Statement of Operations, Balance Sheet, and Returns on Rate Base & Capital Structure
- II. Rate Design Change in Residential Energy Rate for Agreement with the Office of the Attorney General
- III. Billing Analysis for the fo Revised Rates for Current Rate Classes
- IV. Billing Analysis for the Revised Rates and Combined Rate Classes
- V Summary of Revised Rates for Current Rate Classes and Combined Rate Classes
- VI. Current Rates and Revised Rates for Combined Rate Classes in Comparative Form
- VII Tariff Sheet for Revised Rates

Jackson Energy Cooperative  
Case No. 2007-00333  
Balance Sheet, Adjusted - Agreement with AOG  
February 28, 2007

**ASSETS**

	<u>Actual</u>	<u>Adjustments</u>	<u>Adjusted</u>
	<u>Test Year</u>	<u>to Test Year</u>	<u>Test Year</u>
Electric Plant:			
In service	174,743,953		174,743,953
Under construction	2,275,181		2,275,181
	<u>177,019,134</u>		<u>177,019,134</u>
Less accumulated depreciation	33,020,519	(338,664)	33,359,183
	<u>143,998,615</u>	<u>(338,664)</u>	<u>143,659,951</u>
Investments	21,271,324		21,271,324
Current Assets:			
Cash and temporary investments	1,630,885		1,630,885
Accounts receivable, net	17,743,257		17,743,257
Material and supplies	1,622,429		1,622,429
Prepayments and current assets	541,192		541,192
	<u>21,537,763</u>		<u>21,537,763</u>
Deferred property & Net Change in Assets	9,297,747	6,671,102	15,968,849
<b>Total</b>	<u>196,105,449</u>	<u>6,332,438</u>	<u>202,437,887</u>

**MEMBERS' EQUITIES AND LIABILITIES**

Margins:			
Memberships	1,296,735		1,296,735
Patronage capital	55,378,521	6,234,827	61,613,348
	<u>56,675,256</u>	<u>6,234,827</u>	<u>62,910,083</u>
Long Term Debt	115,849,607		115,849,607
Accumulated Operating Provisions	4,396,847	97,611	4,494,458
Current Liabilities:			
Short term borrowings	7,550,000		7,550,000
Accounts payable	7,178,712		7,178,712
Consumer deposits	1,516,039		1,516,039
Accrued expenses	2,691,749		2,691,749
	<u>18,936,500</u>		<u>18,936,500</u>
Deferred credits	247,239		247,239
<b>Total</b>	<u>196,105,449</u>	<u>6,332,438</u>	<u>202,437,887</u>



**Jackson Energy Cooperative**  
**Case No. 2007-00333**  
**Computation of Rate of Return - Agreement with OAG**  
 28-Feb-07

	Actual <u>Test Year</u>	Adjusted <u>Test Year</u>
Net margins	(\$550,762)	\$5,744,252
Non-cash patronage dividends	0	0
Interest on long-term debt	<u>5,697,178</u>	<u>5,744,252</u>
Total	<u><u>5,146,416</u></u>	<u><u>11,488,504</u></u>
<b>Net rate base</b>	<u><u>147,488,291</u></u>	<u><u>147,498,909</u></u>
Rate of return	<u><u>3.49%</u></u>	<u><u>7.79%</u></u>
<b>Equity Capitalization</b>	<u><u>156,495,016</u></u>	<u><u>162,729,843</u></u>
Rate of return	<u><u>3.29%</u></u>	<u><u>7.06%</u></u>

Exhibit K  
page 2 of 7  
Witness: Jim Adkins

**Jackson Energy Cooperative**  
**Case No. 2007-00333**  
**Determination of Rate Base - Agreement with OAG**  
**28-Feb-07**

	Actual <u>Test Year</u>	Adjusted <u>Test Year</u>
Gross rate base:		
Total electric plant	\$177,019,134	\$177,019,134
Material and supplies (13 months average for test year)	1,308,296	1,308,296
Prepayments (13 months average for test year)	555,119	555,119
Working capital: 12.5% of operating expense less cost of power	<u>1,873,500</u>	<u>1,884,118</u>
Deductions from rate base:	180,756,049	180,766,667
Accumulated depreciation	33,020,519	33,020,519
Consumer advances	<u>247,239</u>	<u>247,239</u>
Net rate base	<u><u>\$147,488,291</u></u>	<u><u>\$147,498,909</u></u>

**JACKSON ENERGY COOPERATIVE  
CASE NO. 2007-00333**

Schedule 10 - Residential Rate - Change in the Energy Rate

Increase Per Agreement Office of Attorney General	\$ 6,234,827
Amount of Increase Requested in Original Application	6,201,363
Additional Increase Amount Per Agreement with OAG	\$ 33,464
Energy kWh	653,496,071
Energy Increase	\$ 0.00005
Energy Charge Filed	\$ 0.08558
Proposed Energy Charge	<u>\$ 0.08563</u>

Jackson Energy Cooperative  
Case No. 2007-00333  
Billing Analysis  
February 28, 2007

Rate 01  
Special Dual Fuel Tariff

Billing Determinants	Actual		Normalized Case No. 2006-00482		Proposed		Normalized Case No. 2006-00519		Adjusted Proposed	
	Rate	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues
Customer Charge	244	\$1.95	\$1.95	\$476	\$9.50	\$2,318	\$2.00	\$488	\$9.50	\$2,318
Customer Charge	175	\$8.25	\$8.25	\$1,444	\$9.50	1,663	\$8.44	1,477	\$9.50	1,663
Energy charge per kWh	237,193	\$0.06938	\$0.06938	16,456	\$0.07728	18,330	\$0.07770	18,430	\$0.08563	20,311
Billing adjustments				(70)		(70)		(70)		(70)
Total from base rates		18,306		\$18,306		\$22,241		\$20,325		\$24,221
Fuel adjustment		1,346								
Environmental surcharge		1,761								
Total revenues		\$21,413								
Amount				\$0		\$3,935				\$3,896
Percent				0.0%		21.5%				19.2%
Average Monthly Bill						\$53.08				\$57.81
Amount						\$9.39				\$4.73
Percent						21.5%				8.9%

Jackson Energy Cooperative  
Case No. 2007-00333  
Billing Analysis  
February 28, 2007

Rate 10  
Residential, Farm and Non Farm Service

Billing Determinants	Actual		Normalized Case No. 2006-00482		Proposed		Normalized Case No. 2006-00519		Adjusted Proposed				
	Rate	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues			
Customer Charge, prorated	551,848	\$8.25	\$4,552,746	8.273	\$9.50	\$5,242,556	8.273	\$8.44	\$4,657,597	\$9.50	\$5,242,556	8.273	
Energy charge per kwh	653,258,878	\$0.06956	45,440,688	\$0.06956	45,440,688	\$0.07728	50,483,846	\$0.07770	50,758,215	\$0.08563	55,938,558	\$0.08563	55,938,558
Environmentals	211,700	\$0.02755	5,832	\$0.02755	5,832	\$0.02755	5,832	\$0.02755	5,832	\$0.02755	5,832	\$0.02755	5,832
Billing adjustments			7,312		7,312		7,312		7,312		7,312		7,312
Total from base rates			50,014,851		\$50,014,851		\$55,747,819		\$55,437,229		\$61,202,531		\$61,202,531
Fuel adjustment			3,686,770										
Environmental surcharge			4,627,237										
Total revenues			\$58,328,858										
Amount					\$0		\$5,732,969				\$5,765,302		
Percent					0.0%		11.5%				10.4%		
Average Monthly Bill			\$90.63				\$101.02				\$110.90		
Amount							\$10.39				\$9.88		
Percent							11.5%				9.8%		

Jackson Energy Cooperative  
Case No. 2007-00333  
Billing Analysis  
February 28, 2007

Rate 11  
Off Peak Retail Marketing

	Billing Determinants	Actual		Normalized Case No. 2006-00482		Proposed		Normalized Case No. 2006-00519		Adjusted Proposed	
		Rate	Revenues	Rates	Revenues	Rate	Revenues	Rates	Revenues	Rate	Revenues
Customer Charge	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0
Energy charge per ETS kWh	9,511,607	\$0.04174	397,014	\$0.04174	397,014	\$0.04637	441,034	\$0.04662	443,431	\$0.05138	488,687
Billing adjustments			922		922		922		922		922
Total from base rates			397,936		\$397,936		\$441,956		\$444,353		\$489,609
Fuel adjustment			27,480								
Environmental surcharge			54,312								
Total revenues			<u>\$479,728</u>								
Amount					\$0		\$44,020				\$45,256
Percent					0.0%		11.1%				10.2%

Jackson Energy Cooperative  
Case No. 2007-00333  
Billing Analysis  
February 28, 2007

Rate 20  
Commercial, Small Power and Three-Phase Service

	Billing Determinants	Actual		Normalized Case No. 2006-00482		Proposed		Normalized Case No. 2006-00519		Adjusted Proposed	
		Rate	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues
Customer Charge	36,640	\$10.00	\$366,400	\$10.00	\$366,400	\$25.00	\$916,000	\$10.24	\$375,194	\$25.00	\$916,000
Customer Charge, prorated			(960)		(960)		(960)		(960)		(960)
KVA minimum charge			3,838		3,838		3,838		3,838		3,838
Energy charge per kWh	43,949,783	\$0.06915	3,039,127	\$0.06915	3,039,127	\$0.06782	2,980,674	\$0.07728	3,396,439	\$0.07618	3,348,094
Billing adjustments			2,122		2,122		2,122		2,122		2,122
Total from base rates			3,410,527		<u>\$3,410,527</u>		<u>\$3,901,674</u>		<u>\$3,776,633</u>		<u>\$4,269,094</u>
Fuel adjustment			259,560								
Environmental surcharge			324,386								
Total revenues			<u>\$3,994,473</u>								
Amount					\$0		\$491,147				\$492,462
Percent					0.0%		14.4%				13.0%
Average Monthly Bill			\$93.08				\$106.49				\$118.51
Amount							\$13.40				\$10.03
Percent							14.4%				9.4%

Jackson Energy Cooperative  
Case No. 2007-00333  
Billing Analysis  
February 28, 2007

Rate 22  
Off Peak Retail Marketing

Billing Determinants	Actual		Normalized Case No. 2006-00482		Proposed		Normalized Case No. 2006-00519		Adjusted Proposed	
	Rate	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues
Customer Charge	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00
Energy charge per ETS KWh	256,688	\$0.04164	10,688	\$0.04164	10,688	\$0.04069	10,445	\$0.04637	11,902	\$0.04571
Billing adjustments										
Total from base rates		10,688		10,688		10,445		11,902		11,733
Fuel adjustment		847		847		847		847		847
Environmental surcharge		1,475		1,475		1,475		1,475		1,475
Total revenues		<u>\$13,010</u>		<u>\$10,688</u>		<u>\$10,445</u>		<u>\$11,902</u>		<u>\$11,733</u>
Amount				\$0		(\$243)				(\$169)
Percent				0.0%		-2.3%				-1.4%

Jackson Energy Cooperative  
Case No. 2007-00333  
Billing Analysis  
February 28, 2007

Rate 30  
Large Power Rate

Billing Determinants	Actual		Normalized Case No. 2006-00482		Proposed		Normalized Case No. 2006-00519		Adjusted Proposed	
	Rate	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues
Customer Charge	2.880	\$21.75	\$62,640	\$116	\$25.00	\$72,000	\$22.26	\$64,109	\$25.00	\$72,000
Customer Charge, prorated										
			\$62,640	\$116		\$116		\$116		\$116
Demand Charge	56,431.49	\$5.22	\$294,572	\$24,423	\$0.00	\$0	\$5.34	\$301,344	\$0.00	\$0
KVA minimum charge										
			\$294,572	\$24,423	\$24,423	\$24,423	\$24,423	\$24,423	\$24,423	\$24,423
Energy charge per kWh	14,437.695	\$0.06249	902,212	902,212	\$0.06782	979,164	\$0.07046	1,017,280	\$0.07618	1,099,864
Billing adjustments										
			103	103		103		103		103
Total from base rates			1,284,066	1,284,066		1,075,806		1,407,375		1,196,506
Fuel adjustment			94,017							
Environmental surcharge			104,245							
Total revenues			\$1,482,328							
Amount				\$0		(\$208,259)				(\$210,869)
Percent				0.0%		-16.2%				-15.0%
Average Monthly Bill			\$445.86			\$373.54				\$415.45
Amount						(\$72.31)				\$41.91
Percent						-16.2%				11.2%

Jackson Energy Cooperative  
Case No. 2007-00333  
Billing Analysis  
February 28, 2007

Rate 33  
Water Pumping Service

Billing Determinants	Actual		Normalized Case No. 2006-00482		Proposed		Normalized Case No. 2006-00519		Adjusted Proposed		
	Rate	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues	
Customer Charge	72	\$15.25	\$1,098	\$15.25	\$1,098	\$25.00	\$1,800	\$15.61	\$1,124	\$25.00	\$1,800
KVA minimum charge		2,414		2,414		2,414		2,414		2,414	
Energy charge per KWh	1,914,172	\$0.05704	109,184	\$0.05704	109,184	\$0.06782	129,919	\$0.06488	124,191	\$0.07618	145,822
Billing adjustments				0		0		0		0	
Total from base rates		112,696		\$112,696		\$134,033		\$127,729		\$150,036	
Fuel adjustment		8,573									
Environmental surcharge		13,914									
Total revenues		\$135,183									
Amount Percent				\$0 0.0%		\$21,337 18.9%		\$22,306 17.5%		\$22,306 17.5%	
Average Monthly Bill Amount Percent		\$1,565.23				\$1,861.57 18.9%		\$2,083.83 11.9%		\$2,222.26 11.9%	

Jackson Energy Cooperative  
Case No. 2007-00333  
Billing Analysis  
February 28, 2007

Rate 40  
Large Power, 50KW to 275KW

Billing Determinants	Actual		Normalized Case No. 2006-00482		Proposed		Normalized Case No. 2006-00519		Adjusted Proposed	
	Rate	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues
Customer charge	1.825	\$17.90	\$32,668	\$50	\$17.90	\$32,668	\$50	\$45.00	\$82,125	\$50
Customer charge, prorated										
Demand Charge	192,073.77	\$4.84	929,637	(4,824)	\$4.84	929,637	(4,824)	\$6.00	1,152,443	\$50
KVA minimum charge			27,511	(4,824)		27,511	(4,824)	\$4.95	950,765	\$6.00
Primary metering discount										
Energy charge per kWh	59,743,151	\$0.05328	3,183,115	\$0.05328	3,183,115	\$0.04780	2,855,723	\$0.06104	3,646,722	\$0.05588
Billing adjustments			(324)			(324)			(324)	
Total from base rates			4,167,833		4,167,833		4,112,703		4,653,334	
Fuel adjustment			308,464							
Environmental surcharge			437,882							
Total revenues			<u>\$4,914,179</u>						<u>\$4,914,179</u>	
Amount Percent				\$0			(\$55,129)			(\$57,906)
Average Monthly Bill				0.0%			-1.3%			-1.2%
Amount Percent										
Average Monthly Bill										
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Jackson Energy Cooperative  
Case No. 2007-00333  
Billing Analysis  
February 28, 2007

Rate 43  
Large Power, over 275 KW

Billing Determinants	Actual		Normalized Case No. 2006-00482		Proposed		Normalized Case No. 2006-00519		Proposed				
	Rate	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues			
Customer charge, prorated	240	\$31.82	\$7,637	\$27	\$31.82	\$7,637	\$27	\$45.00	\$10,800	\$27	\$45.00	\$10,800	
Demand Charge	108,069.98	\$4.84	523,059	(11,246)	\$4.84	523,059	(11,246)	\$6.00	648,420	\$4.95	534,946	(11,246)	
KVA minimum charge			14,711	(11,246)		14,711	(11,246)		14,711		14,711	(11,246)	
Primary metering discount													
Energy charge per kWh	36,523,740	\$0.04980	1,818,882	\$0.04980	1,818,882	\$0.04780	1,745,835	\$0.04780	1,745,835	\$0.05747	2,099,019	\$0.05588	2,040,947
Billing adjustments				0			0					0	
Total from base rates			2,353,070	\$2,353,070		2,408,547	\$2,645,275		2,703,658		2,703,658		
Fuel adjustment			174,413										
Environmental surcharge			278,034										
Total revenues			\$2,805,517										
Amount				\$0		\$55,477			\$58,384				
Percent				0.0%		2.4%			2.2%				
Average Monthly Bill			\$9,804.46			\$10,035.61			\$11,265.24				
Amount						\$231.15			\$1,229.63				
Percent						2.4%			12.3%				



Jackson Energy Cooperative  
Case No. 2007-00333  
Billing Analysis  
February 28, 2007

Rate 47  
Large Power Rate - 500 KW to 5,000 KW

Billing Determinants	Actual		Normalized Case No. 2006-00482		Proposed		Normalized Case No. 2006-00519		Proposed	
	Rate	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues
Metering Charge	36	\$960.00	\$960.00	\$34,560	\$960.00	\$34,560	\$960.00	\$34,560	\$960.00	\$34,560
Demand Charge	46,700.00	\$5.39	\$5.39	251,713	\$6.22	290,474	\$5.52	257,784	\$6.22	290,474
Contract demand	13,351.85	\$7.82	\$7.82	104,411	\$7.82	104,411	\$8.00	106,815	\$8.00	106,815
Over contract										
KVA minimum charge				3,271		3,271		3,271		3,271
Load factor penalty				20,917		20,917		20,917		20,917
Primary metering discount				(47,004)		(47,004)		(47,004)		(47,004)
Energy charge per kWh	26,614.400	\$0.03754	\$0.03754	999,105	\$0.03608	960,248	\$0.04493	1,195,785	\$0.04370	1,163,049
Billing adjustments				0		0		0		0
Total from base rates				1,366,973		1,366,877		1,572,128		1,572,082
Fuel adjustment				103,730						
Environmental surcharge				187,033						
Total revenues				<u>\$1,657,736</u>		<u>\$1,366,877</u>		<u>\$1,572,128</u>		<u>\$1,572,082</u>
Amount										
Percent				\$0		(\$96)		(\$46)		(\$46)
Average Monthly Bill				0.0%		0.0%		0.0%		0.0%
Amount				\$37,971.47		\$37,968.81		\$43,668.95		\$43,668.95
Percent						(\$2.67)		\$5,700.14		\$5,700.14
						0.0%		15.0%		15.0%

Jackson Energy Cooperative  
Case No. 2007-00333  
Billing Analysis  
February 28, 2007

Rate 50  
Schools, Churches and Community Halls

Billing Determinants	Actual		Normalized Case No. 2006-00482		Proposed		Normalized Case No. 2006-00519		Proposed							
	Rate	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues						
Customer Charge	1,871	\$9.75	\$18,242	(78)	\$9.75	\$18,242	(78)	\$15.00	\$28,065	(78)	\$9.98	\$18,673	(78)	\$15.00	\$28,065	(78)
Customer Charge, prorated																
KVA minimum charge				0		0			0		0		0		0	
Energy charge per kWh	4,781,005	\$0.07269	347,531	\$0.07269	347,531	\$0.07394	353,508	\$0.08090	386,783	\$0.08231	393,525					
Billing adjustments			0		0		0		0		0		0		0	
Total from base rates			365,696		<u>\$365,696</u>		<u>\$381,495</u>		<u>\$405,378</u>		<u>\$421,512</u>					
Fuel adjustment			27,336													
Environmental surcharge			34,414													
Total revenues			<u>\$427,446</u>													
Amount					\$0		\$15,799		\$16,134		\$21,339		\$21,339		\$21,339	
Percent					0.0%		4.3%		4.0%		10.5%		10.5%		10.5%	
Average Monthly Bill			\$195.45				\$203.90		\$225.29		\$225.29		\$225.29		\$225.29	

Jackson Energy Cooperative  
Case No. 2007-00333  
Billing Analysis  
February 28, 2007

Rate 52  
All Electric Schools

Billing Determinants	Actual		Normalized Case No. 2006-00482		Proposed		Normalized Case No. 2006-00519		Proposed		
	Rate	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues	
Customer Charge	215	\$40.00	\$8,600	\$40.00	\$8,600	\$40.00	\$8,600	\$40.94	\$8,802	\$40.00	\$8,600
Customer Charge, prorated			288		288		288		288		288
KVA minimum charge			1,532		1,532		1,532		1,532		1,532
Energy charge per kWh	8,893,766	\$0.05939	528,201	\$0.05939	528,201	\$0.05989	532,648	\$0.06729	598,462	\$0.06781	603,086
Billing adjustments			<u>0</u>		<u>0</u>		<u>0</u>		<u>0</u>		<u>0</u>
Total from base rates			538,621		<u>\$538,621</u>		<u>\$543,068</u>		<u>\$609,084</u>		<u>\$613,506</u>
Fuel adjustment			40,325								
Environmental surcharge			<u>59,180</u>								
Total revenues			<u>\$638,126</u>								
Amount					\$0		\$4,447				\$4,423
Percent					0.0%		0.8%				0.7%
Average Monthly Bill			\$2,505.21				\$2,525.90				\$2,853.52
Amount							\$20.68				\$327.62
Percent							0.8%				13.0%

Jackson Energy Cooperative  
Case No. 2007-00333  
Billing Analysis  
February 28, 2007

Rate 60  
Schools, Churches and Community Halls

	Billing Determinants	Actual		Normalized Case No. 2006-00482		Proposed		Normalized Case No. 2006-00519		Proposed	
		Rate	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues
Customer Charge	6,983	\$9.65	\$67,386 (124)	\$9.65	\$67,386 (124)	\$15.00	\$104,745 (124)	\$9.88	\$68,992 (124)	\$15.00	\$104,745 (124)
Energy charge per kWh	7,512,759	\$0.07234	543,473	\$0.07234	543,473	\$0.07394	555,493	\$0.08055	605,153	\$0.08231	618,375
Billing adjustments			0		0		0		0		0
Total from base rates			610,735		\$610,735		\$660,114		\$674,021		\$722,996
Fuel adjustment			47,053								
Environmental surcharge			55,465								
Total revenues			<u>\$713,253</u>								
Amount					\$0		\$49,379				\$48,975
Percent					0.0%		8.1%				7.3%
Average Monthly Bill			\$87.46				\$94.53				\$103.54
Amount							\$7.07				\$9.00
Percent							8.1%				9.5%

Jackson Energy Cooperative  
Case No. 2007-00333  
Billing Analysis  
February 28, 2007

Schedule 6  
Street Lighting & Security Lights

Billing Determinants	Actual		Normalized Case No. 2006-00482		Proposed		Normalized Case No. 2005-00519		Proposed	
	Rate	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues
<u>Sodium Vapor</u>										
5,800 Lumen Street Light	0	\$0	\$9.14	\$0	\$9.14	\$0	\$9.56	\$0	\$9.56	\$0
22,000 Lumen Street Light	266	\$3,604	\$13.55	3,604	\$13.55	3,604	\$14.44	3,841	\$14.44	3,841
9,500 Lumen 100W Security Light	52,549	\$740	\$7.40	388,863	\$7.40	388,863	\$8.04	422,494	\$8.04	422,494
4,000 Lumens Colonial	1,365	\$9.84	\$9.84	13,432	\$9.84	13,432	\$10.20	13,923	\$10.20	13,923
27,500 Lumens Flood Light	916	\$11.85	\$11.85	10,855	\$11.85	10,855	\$12.70	11,633	\$12.70	11,633
50,000 Lumens Flood Light	1,590	\$13.48	\$13.48	21,433	\$13.48	21,433	\$14.83	23,580	\$14.83	23,580
27,500 Lumens Cobra head	1,451	\$10.49	\$10.49	15,221	\$10.49	15,221	\$11.31	16,411	\$11.31	16,411
<u>Mercury Vapor</u>										
7,000 Lumen 75 W Security Light	187,472	\$7.40	\$7.40	1,387,293	\$7.40	1,387,293	\$8.04	1,507,275	\$8.04	1,507,275
400W Flood Light	5,217	\$13.85	\$13.85	72,255	\$13.85	72,255	\$15.19	79,246	\$15.19	79,246
1,000W Flood Light	3,091	\$26.60	\$26.60	82,221	\$26.60	82,221	\$29.67	91,710	\$29.67	91,710
175W Acorn Light	0	\$13.95	\$13.95	0	\$13.95	0	\$14.75	0	\$14.75	0
175W Acorn Head Yard Light	330	\$18.21	\$18.21	6,009	\$18.21	6,009	\$19.25	6,353	\$19.25	6,353
175W Colonial Light	0	\$7.28	\$7.28	0	\$7.28	0	\$7.92	0	\$7.92	0
175W Colonial Post Yard Light, w/ F	1,708	\$11.54	\$11.54	19,710	\$11.54	19,710	\$12.29	20,991	\$12.29	20,991
400W Cobra Head Light	955	\$11.86	\$11.86	11,326	\$11.86	11,326	\$13.15	12,558	\$13.15	12,558
400W Interstate Light	90	\$16.46	\$16.46	1,481	\$16.46	1,481	\$17.86	1,607	\$17.86	1,607
Prorated customer charge		325		325		325		0		0
kWh		19,610,566		19,610,566		19,610,566		19,610,566		19,610,566
Billing adjustments		(13,526)		(13,526)		(13,526)		(13,526)		(13,526)
Total from base rates		2,020,502		2,020,502		2,020,502		2,198,096		2,198,096
Fuel adjustment										
Environmental Surcharge										
Total revenues		\$2,020,502		\$2,020,502		\$2,020,502		\$2,198,096		\$2,198,096

Amount Percent	\$0	\$0	\$0
Average Monthly Bill Amount Percent	0.0%	0.0%	0.0%
	\$7.86	\$7.86	\$8.55
		\$0.00	\$0.69
		0.0%	8.8%

Jackson Energy Cooperative  
Billing Analysis  
February 28, 2007

Summary:

Billing Determinants	Actual		Normalized Case No. 2006-00482		Proposed		Normalized Case No. 2006-00519		Proposed	
	Rate	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues
Customers billed										
Total from base rates	928,675,403	68,681,521	68,681,521	74,883,106			76,307,786	82,542,737		
Environmental Surcharge Fuel Adjustment		4,933,908								
		6,485,172								
Total revenues		80,100,601								
Per Form 7 Difference	928,675,403	80,100,591	0	6,201,585	1,424,680	6,234,951	0	9,03%	1,90%	8,17%
	0	10	0.00%							

Jackson Energy Cooperative  
Case No. 2007-00333  
Billing Analysis - Combined Rate Classes  
February 28, 2007

Rate 10 Residential Farm & Non-Farm	Billing Determinants	Actual	
		Rate	Revenues
Customer Charge	552,267	\$9.50	\$5,246,537
Customer Charge Prorated	0	\$0.00	\$8,273
Energy charge per kWh	653,496,071	\$0.08563	55,958,869
Envirowatts	211,700	\$0.02755	5,832
Billing adjustments			<u>7,242</u>
Total from base rates			61,226,752
<u>Rate 11</u>			
Off Peak Retail Marketing			
Customer Charge	0	\$0.00	\$0
Energy charge per ETS kWh	9,511,607	\$0.05138	488,706
Billing adjustments			<u>922</u>
Total from base rates			489,628
<u>Rate 20</u>			
Commerical & Small Power			
Customer Charge	39,592	\$25.00	\$989,800
Customer Charge, prorated			(960)
KVA minimum charge			30,675
Energy charge per kWh	60,301,650	\$0.07618	4,593,780
Billing adjustments			<u>2,225</u>
Total from base rates			5,615,520

Jackson Energy Cooperative  
Case No. 2007-00333  
Billing Analysis - Combined Rate Classes  
February 28, 2007

Rate 22 Off Peak Retail Marketing	Billing Determinants	Actual	
		Rate	Revenues
Customer Charge	0	\$0.00	\$0
Energy charge per ETS kWh	256,688	\$0.04571	11,733
Billing adjustments			
Total from base rates			11,733
<u>Rate 40</u>			
Large Power, 50KW to 275KW			
Customer charge	2,065	\$45.00	\$92,925
Customer charge, prorated			\$50
Demand Charge	300,143.75	\$6.00	1,800,863
KVA minimum charge			42,222
Primary metering discount			(16,070)
Energy charge per kWh	96,266,891	\$0.05588	5,379,394
Billing adjustments			(324)
Total from base rates			7,299,059
<u>Rate 46</u>			
Large Power Rate - 500 KW and over			
Customer Charge	36	\$960.00	\$34,560
Demand Charge	90,832.70	\$6.22	564,979
Load factor penalty			14,107
Energy charge per kWh	41,430,000	\$0.04244	1,758,289
Billing adjustments			0
Total from base rates			2,371,936

Jackson Energy Cooperative  
Case No. 2007-00333  
Billing Analysis - Combined Rate Classes  
February 28, 2007

Rate 47 Large Power Rate - 500 KW to 5,000	Billing Determinants	Actual	
		Rate	Revenues
Metering Charge	36	\$960.00	\$34,560
Demand Charge			
Contract demand	46,700	\$6.22	290,474
Over contract	13,351.85	\$8.00	106,815
KVA minimum charge			3,271
Load factor penalty			20,917
Primary metering discount			(47,004)
Energy charge per kWh	26,614,400	\$0.04370	1,163,049
Billing adjustments			<u>0</u>
Total from base rates			1,572,082
<b>Rate 50</b>			
<u>Schools, Churches and Community Halls</u>			
Customer Charge	8,854	\$15.00	\$132,810
Customer Charge, prorated			(78)
KVA minimum charge			
Energy charge per kWh	12,293,764	\$0.08231	1,011,900
Billing adjustments			<u>0</u>
Total from base rates			1,144,632

Jackson Energy Cooperative  
Case No. 2007-00333  
Billing Analysis - Combined Rate Classes  
February 28, 2007

Rate 52 All Electric Schools	Billing Determinants	Actual	
		Rate	Revenues
Customer Charge	215	\$40.00	\$8,600
Customer Charge, prorated			288
KVA minimum charge			1,532
Energy charge per kWh	8,893,766	\$0.06781	603,086
Billing adjustments			<u>0</u>
Total from base rates			613,506
<u>Schedule 6</u>			
<u>Street Lighting &amp; Security Lights</u>			
<u>Sodium Vapor</u>			
5,800 Lumen Street Light	0	\$9.56	\$0
22,000 Lumen Street Light	266	\$14.44	3,841
9,500 Lumen 100W Security Light	52,549	\$8.04	422,494
4,000 Lumens Colonial	1,365	\$10.20	13,923
27,500 Lumens Flood Light	916	\$12.70	11,633
50,000 Lumens Flood Light	1,590	\$14.83	23,580
27,500 Lumens Cobra head	1,451	\$11.31	16,411
<u>Mercury Vapor</u>			
7,000Lumen175 W Security Light	187,472	\$8.04	1,507,275
400W Flood Light	5,217	\$15.19	79,246
1,000W Flood Light	3,091	\$29.67	91,710
175W Acorn Light	0	\$14.75	0
175W Acorn Head Yard Light	330	\$19.25	6,353
175W Colonial Light	0	\$7.92	0
175W Colonial Post Yard Light, w/ P	1,708	\$12.29	20,991
400W Cobra Head Light	955	\$13.15	12,558
400W Interstate Light	90	\$17.86	1,607
Prorated customer charge			325
kWh	<u>19,610,566</u>		
Billing adjustments			<u>(13,526)</u>
Total from base rates			2,198,421

Jackson Energy Cooperative  
Billing Analysis - Combined Rate Classes  
February 28, 2007

Summary:

Billing Determinants	Actual	
	Rate	Revenues
Customers billed	603,065	
Total from base rates	0	82,543,270

**JACKSON ENERGY COOPERATIVE**  
**CASE NO. 2007.00333**

**SUMMARY OF REVENUE BY RATE CLASS FOR REVISED  
 RATES APPLIED TO CURRENT RATES AND COMBINED RATES**

Rate Schedule	Kwh Usage	Test Year Revenue	Normalized	
			Percent of Total	Case No. 2004-00519 Revenue
Schedule 01, Special Dual Fuel	237,193	18,306	0.0%	20,325
Schedule 10, Residential, Farm, and Non-Farm	653,047,178	50,009,019	72.8%	55,431,397
Envirowatts	211,700	5,832	0.0%	5,832
Schedule 11, ETS	9,511,607	397,936	0.6%	444,353
Schedule 20, Commercial, Small Power and 3-Phase Farm	43,949,783	3,410,527	5.0%	3,776,633
Schedule 22, ETS	256,688	10,688	0.0%	11,902
Schedule 30, Large Power less than 50 KW	14,437,695	1,284,066	1.9%	1,407,375
Schedule 33, Water Pumping	1,914,172	112,696	0.2%	127,729
Schedule 40, Large Power 50 KW to 274 KW	59,743,151	4,167,833	6.1%	4,653,334
Schedule 43, Large Power 275KW and over	36,523,740	2,353,070	3.4%	2,645,275
Schedule 46, Large Power 500 KW and over	41,430,000	2,009,020	2.9%	2,324,925
Schedule 47, Large Power 500 LW to 4,999 KW	26,614,400	1,366,973	2.0%	1,572,128
Schedule 50, School, Churches and Community Halls	4,781,005	365,696	0.5%	405,378
Schedule 52, All Electric Schools	8,893,766	538,621	0.8%	609,084
Schedule 60, School, Churches and Community Halls	7,512,759	610,735	0.9%	674,021
Schedule OL, Street Lighting & Security Lights	19,610,566	2,020,502	2.9%	2,198,096
Rounding differences	-	-	0.0%	(222)
Total from base rates	928,675,403	68,681,521	100.0%	76,307,564

**JACKSON ENERGY COOPERATIVE**  
**CASE NO. 2007.00333**

**SUMMARY OF REVENUE BY RATE CLASS FOR REVISED  
RATES APPLIED TO CURRENT RATES AND COMBINED RATES**

Rate Schedule	Agreement w/OAG Adjusted Proposed Revenue	Percent of Total	Increase Amount	Agreement w/OAG Adjusted Proposed Revenue with Combined Classes
Schedule 01, Special Dual Fuel	24,221	0.03%	3,896	
Schedule 10, Residential, Farm, and Non-Farm	61,196,699	74.14%	5,765,302	61,220,920
Envirowatts	5,832	0.01%	-	5,832
Schedule 11, ETS	489,609	0.59%	45,256	489,628
Schedule 20, Commercial, Small Power and 3-Phase Farm	4,269,094	5.17%	492,462	5,615,520
Schedule 22, ETS	11,733	0.01%	(169)	11,733
Schedule 30, Large Power less than 50 KW	1,196,506	1.45%	(210,869)	
Schedule 33, Water Pumping	150,036	0.18%	22,306	
Schedule 40, Large Power 50 KW to 274 KW	4,595,428	5.57%	(57,906)	
Schedule 43, Large Power 275KW and over	2,703,658	3.28%	58,384	7,299,059
Schedule 46, Large Power 500 KW and over	2,371,728	2.87%	46,804	2,371,936
Schedule 47, Large Power 500 LW to 4,999 KW	1,572,082	1.90%	(46)	1,572,082
Schedule 50, School, Churches and Community Halls	421,512	0.51%	16,134	1,144,632
Schedule 52, All Electric Schools	613,506	0.74%	4,423	613,506
Schedule 60, School, Churches and Community Halls	722,996	0.88%	48,975	
Schedule OL, Street Lighting & Security Lights	2,198,096	2.66%	-	2,198,421
Rounding differences	(346)	-		(879)
Total from base rates	82,542,391	100%	6,234,827	82,542,391
				100.0%
			6,234,827	

**JACKSON ENERGY COOPERATIVE**  
**CASE NO. 2007-00333**

**CURRENT RATES AND REVISED RATES FOR COMBINED RATE CLASSES**

Rate Schedule	Present	Proposed	% Change	Average Usage	Present Rate	Proposed Rates	Amount Increase	Percent Increase
Schedule 10								
Customer Charge	\$ 8.44	\$ 9.50	12.6%	1,183	\$ 100.38	\$ 110.83	\$ 10.44	10.40%
Energy Charge	\$ 0.07770	\$ 0.08563	10.2%					
Schedule 11								
Energy Charge	\$ 0.046620	\$ 0.051350	10.1%					
Schedule 20								
Customer Charge	\$ 10.24	\$ 25.00	144.1%	1523	\$ 127.94	\$ 141.03	\$ 13.08	10.23%
Energy Charge	\$ 0.07728	\$ 0.07618	-1.4%					
Schedule 22								
Energy Charge	\$ 0.04637	\$ 0.04571	-1.4%					
Schedule 40								
Customer Charge	\$ 18.32	\$ 45.00	145.6%	145	\$ 3,583.38	\$ 3,522.12	\$ (61.26)	-1.71%
Demand Charge	\$ 4.95	\$ 6.00	21.2%	46,618				
Energy Charge	\$ 0.06104	\$ 0.05588	-8.5%					
Schedule 46								
Customer Charge	\$ 982.63	\$ 982.63	0.0%	2,523	\$ 64,212.01	\$ 65,517.87	\$ 1,305.86	2.03%
Demand Charge	\$ 5.52	\$ 6.22	12.7%	1,150,833				
Energy Charge	\$ 0.04284	\$ 0.04244	-0.9%					
Schedule 47								
Customer Charge	\$ 982.63	\$ 982.63	0.0%	1,297	44,327	\$ 44,329.86	\$ 3.23	0.01%
Demand Charge	\$ 5.52	\$ 6.22	12.7%	371				
Excess Demand Charge	\$ 8.00	\$ 8.65	8.1%	739,289				
Energy Charge	\$ 0.04493	\$ 0.04338	-3.4%					

**JACKSON ENERGY COOPERATIVE**  
**CASE NO. 2007-00333**

**CURRENT RATES AND REVISED RATES FOR COMBINED RATE CLASSES**

Rate Schedule	Present	Proposed	% Change	Average Usage	Present Rate	Proposed Rates	Amount Increase	Percent Increase
Schedule 48 Customer Charge Demand Charge Excess Demand Charge Energy Charge	\$ 1,094.20	1094.2	0.0%					
	\$ 5.52	6.22	12.7%					
	\$ 8.00	8.65	8.1%					
	\$ 0.03735	\$ 0.03735	0.0%					
Schedule 50 Customer Charge Energy Charge	\$ 9.98	\$ 15.00	50.3%	1,388	\$ 122.31	\$ 129.29	\$ 6.98	5.71%
	\$ 0.08090	\$ 0.08231	1.7%					
Schedule 52 Customer Charge Energy Charge	\$ 9.88	\$ 40.00	304.9%	41,366	\$ 2,793.42	\$ 2,845.05	\$ 51.63	1.85%
	\$ 0.0673	\$ 0.0678	0.8%					

FOR ENTIRE SERVICE AREA  
P.S.C. NO. 5  
Original Sheet No. 1  
Cancelling P.S.C. NO. 4

JACKSON ENERGY COOPERATIVE CORPORATION  
SCHEDULE 10  
RESIDENTIAL SERVICE

Availability

Available to the consumers for residential uses.

Rate

Customer Charge Per Month	\$9.50
All kWh	\$0.08563 per kWh

Minimum Charges

The minimum monthly charge is the customer charge.

Type of Service

Single-phase, 120/240 volt, 150 KVA or below.

Fuel Adjustment Clause

This tariff is subject to the Fuel Adjustment Clause rider.

Energy Emergency Control Program

This tariff is subject to the Energy Emergency Control Program rider.

Environmental Surcharge

This tariff is subject to the Environmental Surcharge rider.

ISSUED BY AUTHORITY OF AN ORDER OF THE PUBLIC SERVICE COMMISSION OF  
KENTUCKY IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_  
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Issued By: \_\_\_\_\_ President & CEO .



FOR ENTIRE SERVICE AREA  
P.S.C. NO. 5  
Original Sheet No. 3  
Cancelling P.S.C. NO. 4

JACKSON ENERGY COOPERATIVE CORPORATION  
SCHEDULE 20  
COMMERCIAL SERVICE LESS THAN 50 KW

Availability

Available to commercial loads whose load requirements monthly average over a 12 month period is less than 50 kW. Service under this schedule is not available to seasonal customers unless otherwise provided for.

Rate

Customer Charge Per Month	\$25.00
All kWh per month	\$0.07618 per kWh

Minimum Monthly Charge

The minimum monthly charge is the customer charge.

Fuel Adjustment Clause

This tariff is subject to the Fuel Adjustment Clause rider.

Energy Emergency Control Program

This tariff is subject to the Energy Emergency Control Program rider.

Environmental Surcharge

This tariff is subject to the Environmental Surcharge rider.

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KENTUCKY IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

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FOR ENTIRE SERVICE AREA  
P.S.C. NO. 5  
Original Sheet No. 5  
Cancelling P.S.C. NO. 4

JACKSON ENERGY COOPERATIVE CORPORATION  
SCHEDULE 40  
LARGE POWER LOADS 50 KW AND OVER

Availability

Available to large power loads whose load requirements monthly average over a 12 month period is 50 kW and over.

Rate

Customer Charge Per Month	\$45.00
Demand Charge Per Month	\$ 6.00
All kWh per month	\$0.05588 per kWh

Determination of Billing Demand

The billing demand shall be the maximum kilowatt load used by the consumer for any period of fifteen consecutive minutes during the month for which the bill is rendered and adjusted for power factor as provided below.

Power Factor

The consumer agrees to maintain unity power factor as nearly as practicable. The Cooperative reserves the right to measure such power factor at the time of the maximum demand to determine if the power factor is less than 90%. Power factor penalty formula will be as follows:

$$\text{Power factor penalty} = \frac{(\text{maximum kW demand} \times 90\% \text{ pf}) - (\text{maximum kW demand}) \times \$/\text{kWh}}{\text{actual power factor}}$$

Minimum Monthly Charge

The minimum monthly charge will be the customer charge.

Fuel Adjustment Clause

This tariff is subject to the Fuel Adjustment Clause rider.

Energy Emergency Control Program

This tariff is subject to the Energy Emergency Control Program rider.

Environmental Surcharge

This tariff is subject to the Environmental Surcharge rider.

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FOR ENTIRE SERVICE AREA  
P.S.C. NO. 5  
Original Sheet No. 6  
Cancelling P. S.C. NO. 4

JACKSON ENERGY COOPERATIVE CORPORATION  
SCHEDULE 46  
LARGE POWER RATE – 500 KW AND OVER

Availability

Available to all consumers whose load requirements monthly average over a 12 month period is 500 kW or greater.

Conditions

A contract shall be executed for service under this schedule.

Rate

Customer Charge Per Month	\$982.63
Demand Charge Per Month	\$ 6.22 per kW
Energy Charge	\$0.04244 per kWh

Determination of Billing Demand

The monthly billing demand shall be the greater of (a) or (b) listed below:

- (a) The contract demand
- (b) The ultimate consumer's peak demand during the current month or preceding eleven months. The peak demand shall be the highest average rate at which energy is used during any fifteen-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:

<u>Months</u>	<u>Hours Applicable for Demand Billing – EST</u>
October through April	7:00 a.m. to 12:00 noon 5:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10:00 p.m.

Power Factor

The consumer agrees to maintain unity power factor as nearly as practicable. The Cooperative reserves the right to measure such power factor at the time of the maximum demand to determine if the power factor is less than 90%. Power factor penalty formula will be as follows:

$$\text{Power factor penalty} = \frac{(\text{maximum kW demand} \times 90\% \text{ pf}) - (\text{maximum kW demand}) \times \$/\text{kW}}{\text{actual power factor}}$$

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Date of Issue: December 6, 2007 Date Effective: January 7, 2008 .

Issued By: \_\_\_\_\_ President & CEO .

FOR ENTIRE SERVICE AREA  
P.S.C. NO. 5  
Original Sheet No. 7  
Cancelling P.S.C. NO. 4

JACKSON ENERGY COOPERATIVE CORPORATION  
SCHEDULE 46  
LARGE POWER RATE – 500 KW AND OVER

Minimum Monthly Charge

The minimum monthly charge will be the sum of (a), (b) and (c) below:

- (a) The product of the billing demand multiplied by the demand charge, plus
- (b) The product of the billing demand multiplied by 400 hours and the energy charge per kWh, plus
- (c) The customer charge

Special Provisions

Primary Service: If service is furnished at available primary voltage, a discount of 5% shall apply to the demand and energy charges.

Fuel Adjustment Clause

This tariff is subject to the Fuel Adjustment Clause rider.

Energy Emergency Control Program

This tariff is subject to the Energy Emergency Control Program rider.

Environmental Surcharge

This tariff is subject to the Environmental Surcharge rider.

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KENTUCKY IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

Date of Issue: December 6, 2007 Date Effective: January 7, 2008

Issued By: \_\_\_\_\_ President & CEO .

FOR ENTIRE SERVICE AREA  
P.S.C. NO. 5  
Original Sheet No. 8  
Cancelling P.S.C. No. 4

JACKSON ENERGY COOPERATIVE CORPORATION  
SCHEDULE 47  
LARGE POWER RATE – 500 KW AND OVER

Availability

Available to consumers whose load requirements monthly average over a 12 month period is 500 kW or greater.

Conditions

A contract shall be executed for service under this schedule.

Rate

Customer Charge Per Month	\$ 982.63
Demand Charge Per kW of Contract Demand	\$ 6.22
Demand Charge Per kW for Billing Demand in Excess of Contract Demand	\$ 8.65
Energy Charge per kWh	\$0.04338

Determination of Billing Demand

The monthly billing demand shall be the contract demand plus any excess demand. Excess demand occurs when the ultimate consumer's peak demand during the current month exceeds the contract demand. The peak demand shall be the highest average rate at which energy is used during any fifteen-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:

<u>Months</u>	<u>Hours Applicable for Demand Billing – EST</u>
October through April	7:00 a.m. to 12:00 noon 5:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10:00 p.m.

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KENTUCKY IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

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Issued By: \_\_\_\_\_ President & CEO .

FOR ENTIRE SERVICE AREA  
P.S.C. NO. 5  
Original Sheet No. 9  
Cancelling P.S.C. NO. 4

JACKSON ENERGY COOPERATIVE CORPORATION  
SCHEDULE 47  
LARGE POWER RATE – 500 KW AND OVER

Power Factor

The consumer agrees to maintain unity power factor as nearly as practicable. The Cooperative reserves the right to measure such power factor at the time of the maximum demand to determine if the power factor is less than 90%. Power factor penalty formula will be as follows:

Power factor penalty =  $\frac{(\text{maximum kW demand} \times 90\% \text{ pf}) - (\text{maximum kW demand}) \times \$/\text{kW}}{\text{actual power factor}}$

Minimum Monthly Charge

The minimum monthly charge will be the sum of (a), (b) and (c) below:

- (d) The product of the billing demand multiplied by the demand charge, plus
- (e) The product of the billing demand multiplied by 400 hours and the energy charge per kWh, plus
- (f) The customer charge

Special Provisions

Primary Service: If service is furnished at available primary voltage, a discount of 5% shall apply to the demand and energy charges.

Fuel Adjustment Clause

This tariff is subject to the Fuel Adjustment Clause rider.

Energy Emergency Control Program

This tariff is subject to the Energy Emergency Control Program rider.

Environmental Surcharge

This tariff is subject to the Environmental Surcharge rider.

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KENTUCKY IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

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Issued By: \_\_\_\_\_ President & CEO .

FOR ENTIRE SERVICE AREA  
P.S.C. NO. 5  
Original Sheet No. 10  
Cancelling P.S.C. NO. 4

JACKSON ENERGY COOPERATIVE CORPORATION  
SCHEDULE 48  
LARGE POWER RATE – 5,000 KW AND OVER

Availability

Available to consumers whose load requirements monthly average over a 12 month period is 5,000 kW or greater.

Conditions

A contract shall be executed for service under this schedule.

Rate

Customer Charge Per Month	\$1,094.20
Demand Charge Per kW of Contract Demand	\$ 6.22
Demand Charge Per kW for Billing Demand in Excess of Contract Demand	\$ 8.65
Energy Charge per kWh	\$ 0.03735

Determination of Billing Demand

The monthly billing demand shall be the contract demand plus any excess demand. Excess demand occurs when the ultimate consumer's peak demand during the current month exceeds the contract demand. The peak demand shall be the highest average rate at which energy is used during any fifteen-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:

<u>Months</u>	<u>Hours Applicable for Demand Billing – EST</u>
October through April	7:00 a.m. to 12:00 noon 5:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10:00 p.m.

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Issued By: \_\_\_\_\_ President & CEO .

FOR ENTIRE SERVICE AREA  
P.S.C. NO. 5  
Original Sheet No. 11  
Cancelling P.S.C. NO. 4

JACKSON ENERGY COOPERATIVE CORPORATION  
SCHEDULE 48  
LARGE POWER RATE – 5,000 KW AND OVER

Power Factor

The consumer agrees to maintain unity power factor as nearly as practicable. The Cooperative reserves the right to measure such power factor at the time of the maximum demand to determine if the power factor is less than 90%. Power factor penalty formula will be as follows:

Power factor penalty =  $\frac{(\text{maximum kW demand} \times 90\% \text{ pf}) - (\text{maximum kW demand}) \times \$/\text{kW}}{\text{actual power factor}}$

Minimum Monthly Charge

The minimum monthly charge will be the sum of (a), (b) and (c) below:

- (a) The product of the contract demand multiplied by the demand charge, plus
- (b) The product of the contract demand multiplied by 400 hours and the energy charge per kWh, plus
- (c) The customer charge

Special Provisions

Primary Service: If service is furnished at available primary voltage, a discount of 5% shall apply to the demand and energy charges.

Fuel Adjustment Clause

This tariff is subject to the Fuel Adjustment Clause rider.

Energy Emergency Control Program

This tariff is subject to the Energy Emergency Control Program rider.

Environmental Surcharge

This tariff is subject to the Environmental Surcharge rider.

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KENTUCKY IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

Date of Issue: December 6, 2007 Date Effective: January 7, 2008

Issued By: \_\_\_\_\_ President & CEO .

FOR ENTIRE SERVICE AREA  
P.S.C. NO. 5  
Original Sheet No. 12  
Cancelling P.S.C. NO. 4

JACKSON ENERGY COOPERATIVE CORPORATION  
SCHEDULE 50  
SCHOOLS, CHURCHES, COMMUNITY HALLS AND COMMUNITY PARKS

Availability

Available to schools, churches, community buildings, and parks.

Rate

Customer Charge Per Month	\$ 15.00
All kWh per Month	\$0.08231 per kWh

Minimum Charges

The minimum monthly charge under the above rate shall be the customer charge.

Fuel Adjustment Clause

This tariff is subject to the Fuel Adjustment Clause rider.

Energy Emergency Control Program

This tariff is subject to the Energy Emergency Control Program rider.

Environmental Surcharge

This tariff is subject to the Environmental Surcharge rider.

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KENTUCKY IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

Date of Issue: December 6, 2007 Date Effective: January 7, 2008

Issued By: \_\_\_\_\_ President & CEO .

FOR ENTIRE SERVICE AREA  
P.S.C. NO. 5  
Original Sheet No. 13  
Cancelling P.S.C. NO. 4

JACKSON ENERGY COOPERATIVE CORPORATION  
SCHEDULE 52  
ALL ELECTRIC SCHOOLS (A.E.S.)

Availability

Available to all public or non-profit private schools whose total energy requirements, including but not limited to, heating, air-conditioning, lighting and water heating is supplied by electricity furnished by the Cooperative.

Rate

Customer Charge Per Month	\$ 40.00
All kWh per Month	\$0.06781 per kWh

Minimum Charges

The minimum monthly charge will be the customer charge.

Fuel Adjustment Clause

This tariff is subject to the Fuel Adjustment Clause rider.

Energy Emergency Control Program

This tariff is subject to the Energy Emergency Control Program rider.

Environmental Surcharge

This tariff is subject to the Environmental Surcharge rider.

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Issued By: \_\_\_\_\_ President & CEO .

FOR ENTIRE SERVICE AREA  
P.S.C. NO. 5  
Original Sheet No. 14  
Cancelling P.S.C. NO. 4

JACKSON ENERGY COOPERATIVE CORPORATION  
SCHEDULE OL  
OUTDOOR LIGHTING SERVICE

Availability

Available to all consumers of the Cooperative for dusk to dawn outdoor lighting, including street lighting, in close proximity to existing overhead secondary circuits.

Conditions of Service

The cooperative shall furnish, install, operate, and maintain the outdoor lighting equipment including lamp, luminaire bracket attachment and control device on an existing pole of the Cooperative, electrically connected so that the power for operation of the light does not pass through the meter for the consumer's other usage, at a location mutually agreeable to both the Cooperative and the Consumer. The Cooperative and the Consumer shall execute an agreement for service under this tariff for a minimum of one year.

If a pole is required for outdoor lighting service, the full cost of installing such pole will be paid by the consumer or a monthly charge specified per pole will apply if the consumer is willing to enter into a five year contract. Poles must be within 200 feet of existing secondary circuits. Any additional required facilities may be provided by the Cooperative at an additional charge per month to be determined by the Cooperative.

Cancellation by the consumer prior to the end of the one year, or five year, term will require the consumer to pay the Cooperative its cost of installation and removal of facilities plus the non salvageable material, prorated on the basis of the remaining portion of the one year, or five year, period.

The Cooperative shall maintain the lighting equipment including lamp replacement, at no additional cost to the consumer within a reasonable time after the consumer notifies the Cooperative of the need for maintenance of the lighting equipment. The Cooperative is not responsible for inspecting or maintaining the lighting equipment absent such notification from the consumer. In case of lamp or fixture damage because of vandalism, replacement will be made only once at no cost to the consumer. After that the consumer will be required to pay for the cost of replacement.

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FOR ENTIRE SERVICE AREA  
P.S.C. NO. 5  
Original Sheet No. 15  
Cancelling P.S.C. NO. 4

JACKSON ENERGY COOPERATIVE CORPORATION  
SCHEDULE OL  
OUTDOOR LIGHTING SERVICE

With the passing of the Energy Policy Act of 2005, mercury vapor lamp ballasts will not be manufactured after January 1, 2008. Existing mercury vapor fixtures will be repaired when possible and will be replaced with a mercury vapor fixture until the Cooperative's stock of mercury vapor fixtures has been depleted. Once the Cooperative's stock is depleted mercury vapor fixtures will no longer be installed.

Underground Service

If the consumer requests underground service then the consumer shall pay the monthly rate plus any additional charges as determined by the Cooperative. In addition the consumer shall furnish all ditching, back filling and repaving/seeding/sodding as necessary to comply with the Cooperative's specifications. Upon termination of this service the Cooperative shall not be required to remove underground wiring or conduits.

Fuel Adjustment Clause

This tariff is subject to the Fuel Adjustment Clause rider.

Energy Emergency Control Program

This tariff is subject to the Energy Emergency Control Program rider.

Environmental Surcharge

This tariff is subject to the Environmental Surcharge rider.

**Rate Per Light Per Month**

Street Lighting:

400 Watt Mercury Vapor	Cobra Head Light	CH1	\$13.15	
200 Watt HPS 22,000 Lumens	Cobra Head Light	HP3	\$14.44	
250 Watt HPS 27,500 Lumens	Cobra Head Light	CH2	\$11.31	
HPS 22,000 Lumens		SV3	\$ 9.56	(D)

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Issued By: \_\_\_\_\_ President & CEO.

FOR ENTIRE SERVICE AREA  
P.S.C. NO. 5  
Original Sheet No. 16  
Cancelling P.S.C. NO. 4

JACKSON ENERGY COOPERATIVE CORPORATION  
SCHEDULE OL  
OUTDOOR LIGHTING SERVICE

Residential & Commercial Standard Lighting:

175 Watt Mercury Vapor	Security Light	MVL	\$ 8.04
400 Watt Mercury Vapor	Flood Light	DF1	\$15.19
1,000 Watt Mercury Vapor	Flood Light	DF2	\$29.67
100 Watt HPS 9,500 Lumens	Security Light	HP1	\$ 8.04
250 Watt HPS 27,500 Lumens	Flood Light	DF3	\$12.70
400 Watt HPS 50,000 Lumens	Flood Light	DF4	\$14.83

Specialty Lighting:

175 Watt Mercury Vapor	Alcorn Light	ACL	\$14.75
175 Watt Mercury Vapor	Colonial Light	CPL	\$ 7.92
400 Watt Mercury Vapor	Interstate Light	INT	\$17.86
70 Watt HPS 4,000 Lumens	Colonial Light	CL2	\$10.20

Poles shall be furnished by the cooperative at the following rates:

15 ft Aluminum Pole	\$ 4.26 per pole per month
30 ft Wood Pole	\$ 3.50 per pole per month
30 ft Aluminum Pole for Cobra Head	\$20.58 per pole per month
35 ft Aluminum Pole	\$25.24 per pole per month
35 ft Aluminum Pole for Cobra Head	\$24.79 per pole per month
40 ft Aluminum Pole	\$28.25 per pole per month
40 ft Aluminum Pole for Cobra Head	\$49.41 per pole per month
Power Installed Foundation	\$ 7.04 per pole per month

ISSUED BY AUTHORITY OF AN ORDER OF THE PUBLIC SERVICE COMMISSION OF  
KENTUCKY IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

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Issued By: \_\_\_\_\_ President & CEO .

FOR ENTIRE SERVICE AREA  
P.S.C. NO. 5  
Original Sheet No. 17  
Cancelling P.S.C. NO. 4

JACKSON ENERGY COOPERATIVE CORPORATION  
LATE PAYMENT FEE

Standard Rider

The late payment fee is a rider to any and all rate schedules used by the Cooperative.

Terms & Conditions

An amount equal to five percent (5%) of the past-due amount will be added to all accounts that are in past-due condition. The penalty may be assessed only once on any bill for rendered service. Late payment fees will apply 15 days from the date of the bill. Late payment fees will apply only to the net bill, exclusive of special charges, tax and other assessments.

ISSUED BY AUTHORITY OF AN ORDER OF THE PUBLIC SERVICE COMMISSION OF  
KENTUCKY IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_  
Date of Issue: December 6, 2007 Date Effective: January 7, 2008  
Issued By: \_\_\_\_\_ President & CEO .

FOR ENTIRE SERVICE AREA  
P.S.C. NO. 5  
Original Sheet No. 18  
Cancelling P.S.C. NO. 4

JACKSON ENERGY COOPERATIVE CORPORATION  
FUEL ADJUSTMENT CLAUSE

Standard Rider

The Fuel Adjustment Clause is a rider to any and all rate schedules used by the Cooperative.

Terms & Conditions

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve (12) month average of such losses. The fuel clause is subject to all other applicable provisions as set forth in 807 KAR 5:056.

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Issued By: \_\_\_\_\_ President & CEO

FOR ENTIRE SERVICE AREA  
P.S.C. NO. 5  
Original Sheet No. 19  
Cancelling P.S.C. NO. 4

JACKSON ENERGY COOPERATIVE CORPORATION  
ENERGY EMERGENCY CONTROL PROGRAM

Standard Rider

The Energy Emergency Control Program is a rider to any and all rate schedules used by the Cooperative.

Terms & Conditions

All rates are subject to the Energy Emergency Control Program as filed with the Kentucky Public Service Commission on February 12, 1981, in Administrative Case No. 240, and as approved by the Commission's Order of March 31, 1981.

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FOR ENTIRE SERVICE AREA  
P.S.C. NO. 5  
Original Sheet No. 20  
Cancelling P.S.C. NO. 4

JACKSON ENERGY COOPERATIVE CORPORATION  
ENVIRONMENTAL SURCHARGE

Standard Rider

The Environmental Surcharge is a rider to any and all rate schedules used by the Cooperative.

Rate:

$$CES(m) = ES(m) - BESF$$

Where CES(m) = Current Month Environmental Surcharge Factor  
ES(m) = Current Month Environmental Surcharge Calculation  
BESF = Base Environmental Surcharge Factor of 0%

$ES(m) = [((WESF) \times (\text{Average of 12-months ended revenues from sales to Member System for current expense month, excluding environmental surcharge})) + (\text{Over}/\text{Under Recovery})]$  divided by Average of 12-months ending Retail Revenue (excluding environmental surcharge) = \_\_\_\_\_%.

where WESF = Wholesale Environmental Surcharge Factor for Current Expense Month  
(Over)/Under Recovery =

6-month cumulative (over)/under recovery as defined by amount billed by EKPC to Member System minus the amount billed by Member System to retail customer. Over and under recoveries shall be amortized over a six-month period.

BSEF = zero

BILLING:

The current expense month (m) shall be the second month preceding the month in which the Environmental Surcharge is billed.

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FOR ENTIRE SERVICE AREA  
P.S.C. NO. 5  
Original Sheet No. 21  
Cancelling P.S.C. NO. 4

JACKSON ENERGY COOPERATIVE CORPORATION  
OPERATION ROUND-UP VOLUNTARY CONTRIBUTION

Standard Rider

The Operation Round-Up Voluntary Contribution is a rider to any and all rate schedules used by the Cooperative.

Terms & Conditions

Operation Round-Up is a program which allows cooperative members to round up their monthly payment to the next highest dollar amount {\$26.40 to \$27.00 for example} with the funds used to help families and communities through out the cooperative. All Jackson Energy Cooperative members are given the opportunity to make a VOLUNTARY contribution to Operation Round-Up. This contribution will be included on the monthly billing statement. This rounded up amount is not subject to disconnection of service for non-payment. Members may participate in the program by notifying Jackson Energy Cooperative.

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FOR ENTIRE SERVICE AREA  
P.S.C. NO. 5  
Original Sheet No. 22  
Cancelling P.S.C. NO. 4

JACKSON ENERGY COOPERATIVE CORPORATION  
RENEWABLE RESOURCES POWER SERVICE

Standard Rider

This Renewable Resource Power Service is a rider to any and all rate schedules used by the Cooperative. The purpose of this rider is to provide the consumer with a renewable source of energy that may be considered more environmentally friendly.

Availability of Service

This schedule shall be made available to any consumer in blocks of 100 kWh (minimum size) or greater and where the consumer will contract with the Cooperative to purchase the blocks under this Rider.

Agreement

An "Agreement for Purchase of Renewable Resource Power" shall be executed by the consumer prior to service under this schedule and shall be a one (1) year contract, renewable annually.

Rate

The monthly rate for this service will be a renewable power premium, i.e. an added charge, for all renewable power supplied to the consumer. The renewable power rate premium will be as provided below and will be in addition to the regular retail rate for power:

\$0.0275 per kWh or \$2.75 per 100 kWh block

Billing and Minimum Charge

Blocks of power contracted for under this tariff shall constitute the minimum amount of kWh the customer will be billed for during a normal billing period. For all power purchased in excess of the contracted Renewable Resource amount, the customer shall be billed at the normal rate for that class. For periods shorter than a normal monthly billing cycle (i.e. termination of service and final bill of a service) and actual kWh use is less than the contracted Renewable kWh amount, the customer shall pay for the full monthly block of kWh ordinarily contracted.

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FOR ENTIRE SERVICE AREA  
P.S.C. NO. 5  
Original Sheet No. 23  
Cancelling P.S.C. NO. 4

JACKSON ENERGY COOPERATIVE CORPORATION  
INTERRUPTIBLE SERVICE

Standard Rider

The Interruptible Service is a rider to Rate Schedules 46, 47, and 48.

Availability of Service

This schedule shall be made available at any load center, to any member who will contract for an interruptible demand of not less than 500 kW, subject to a maximum number of hours of interruption per year and a notice provided as listed below.

Rate

A monthly demand credit per kW is to be based on the following matrix:

<u>NOTICE MINUTES</u>	<u>ANNUAL HOURS OF INTERRUPTION</u>		
	<u>200</u>	<u>300</u>	<u>400</u>
10	\$2.70	\$3.15	\$3.60
60	\$2.25	\$2.70	\$3.15

Determination of Billing Demand

The monthly billing demand shall be the highest average rate at which energy is used during any fifteen-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:

<u>Months</u>	<u>Hours Applicable for Demand Billing – EST</u>
October through April	7:00 a.m. to 12:00 noon 5:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10:00 p.m.

The interruptible billing demand shall be equal to the amount by which the monthly billing demand exceeds the minimum billing demand as specified in the contract.

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FOR ENTIRE SERVICE AREA  
P.S.C. NO. 5  
Original Sheet No. 24  
Cancelling P.S.C. NO. 4

JACKSON ENERGY COOPERATIVE CORPORATION  
INTERRUPTIBLE SERVICE

Conditions of Service for Customer Contract

1. The customer will, upon notification by the Cooperative, reduce his load being supplied by the Cooperative to the contract capacity level specified by the contract.
2. The Cooperative will endeavor to provide the Customer as much advance notice as possible of the interruption of service. However, the Customer shall interrupt service within the notice period as contracted.
3. Service will be furnished under the Cooperative's "General Rules and Regulations" or "Terms and Conditions" except as set out herein and/or provisions agreed to by written contract.
4. No responsibility of any kind shall attach to the Cooperative for, or on account of, any loss or damage caused by, or resulting from, any interruption or curtailment of this service.
5. The Customer shall own, operate, and maintain all necessary equipment for receiving electric energy and all telemetering and communications equipment, within the Customer's premises, required for interruptible service.
6. The minimum original contract period shall be one year and thereafter until terminated by giving at least six months previous written notice. The Cooperative may require a contract be executed for a longer initial term when deemed necessary by the size of the load and other conditions.
7. The Fuel Adjustment Clause and the Environmental Surcharge as specified in the governing rate schedule are applicable.
8. The Customer shall arrange his wiring so that interruptible service supplied under this rider shall be separately metered and segregated from firm service.
9. A Customer's plant is considered as one or more buildings which are served by a single electrical distribution system provided and operated by the Customer. When the size of the Customer's load necessitates the delivery of energy to the Customer's plant over more than one circuit, the company may elect to connect its circuits to different points on the Customer's system.
10. Any transformers required in excess of those used for regular firm power shall be owned and maintained by the Customer.

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FOR ENTIRE SERVICE AREA  
P.S.C. NO. 5  
Original Sheet No. 25  
Cancelling P.S.C. NO. 4

JACKSON ENERGY COOPERATIVE CORPORATION  
INTERRUPTIBLE SERVICE

Calculation of Monthly Bill

The monthly bill is calculated on the following basis:

- A. Sum of customer charge, plus
- B. Minimum billing demand in kW multiplied by the firm capacity rate, plus
- C. Interruptible billing demand in kW multiplied by interruptible rate, plus
- D. Energy usage in kWh multiplied by the energy rate.

Number and Duration of Interruptions

- A. Winter Season: There shall be no more than two (2) interruptions during any calendar day. No interruption shall last more than six hours.
- B. Summer Season: There shall be no more than one (1) interruption during any calendar day. No interruption shall last more than twelve hours.
- C. The maximum number of annual hours of interruption shall be in accordance with the customer contracted level of interruptible service.

Charge for Failure to Interrupt

If customer fails to interrupt load as requested by the Cooperative, the Cooperative shall bill the entire billing demand at a rate equal to five (5) times the applicable firm power demand charge for that billing month.

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## APPENDIX B

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2007-00333 DATED JUNE 5, 2008

The following rates and charges are prescribed for the customers in the area served by Jackson Energy Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

#### SCHEDULE 10 RESIDENTIAL SERVICE

Customer Charge per Month	\$ 9.50
Energy Charge per kWh	\$ 0.08563

#### SCHEDULE 11 RESIDENTIAL SERVICE OFF PEAK RETAIL MARKETING RATE

Energy Charge per kWh	\$ 0.05135
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#### SCHEDULE 20 COMMERCIAL SERVICE LESS THAN 50 KW

Customer Charge per Month	\$ 25.00
Energy Charge per kWh	\$ 0.07618

#### SCHEDULE 22 COMMERCIAL SERVICE OFF PEAK RETAIL MARKETING RATE

Energy Charge per kWh	\$ 0.04571
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#### SCHEDULE 40 LARGE POWER LOADS 50 KW AND OVER

Customer Charge per Month	\$ 45.00
Demand Charge per Month per kW	\$ 6.00
Energy Charge per kWh	\$ 0.05588

SCHEDULE 46  
LARGE POWER-500 KW AND OVER

Customer Charge per Month	\$ 982.63
Demand Charge per Month per kW	\$ 6.22
Energy Charge per kWh	\$ 0.04244

SCHEDULE 47  
LARGE POWER-500 KW AND OVER

Customer Charge per Month	\$ 982.63
Demand Charge per kW of Contract Demand	\$ 6.22
Demand Charge per kW of Billing Demand in Excess Of Contract Demand	\$ 8.65
Energy Charge per kWh	\$ 0.04338

SCHEDULE 48  
LARGE POWER RATE-5,000 KW AND OVER

Customer Charge per Month	\$1,094.20
Demand Charge per kW of Contract Demand	\$ 6.22
Demand Charge per kW of Billing Demand in Excess Of Contract Demand	\$ 8.65
Energy Charge per kWh	\$ 0.03735

SCHEDULE 50  
SCHOOLS, CHURCHES, COMMUNITY BUILDINGS AND PARKS

Customer Charge per Month	\$ 15.00
Energy Charge per kWh	\$ 0.08231

SCHEDULE 52  
ALL ELECTRIC SCHOOLS (A.E.S)

Customer Charge per Month	\$ 40.00
Energy Charge per kWh	\$ 0.06781

SCHEDULE OL  
OUTDOOR LIGHTING SERVICE

Rate per light per month as follows:

Street Lighting:

400 Watt Mercury Vapor	Cobra Head Light	CH1	\$	13.15
200 Watt HPS 22,000 Lumens	Cobra Head Light	HP3	\$	14.44
250 Watt HPS 27,500 Lumens	Cobra Head Light	CH2	\$	11.31
HPS 22,000 Lumens		SV3	\$	9.56

Residential & Commercial Standard Lighting:

175 Watt Mercury Vapor	Security Light	MVL	\$	8.04
400 Watt Mercury Vapor	Flood Light	DF1	\$	15.19
1,000 Watt Mercury Vapor	Flood Light	DF2	\$	29.67
100 Watt HPS 9,500 Lumens	Security Light	HP1	\$	8.04
250 Watt HPS 27,500 Lumens	Flood Light	DF3	\$	12.70
400 Watt HPS 50,000 Lumens	Flood Light	DF4	\$	14.83

Specialty Lighting:

175 Watt Mercury Vapor	Acorn Light	ACL	\$	14.75
175 Watt Mercury Vapor	Colonial Light	CPL	\$	7.92
400 Watt Mercury Vapor	Interstate Light	INT	\$	17.86
70 Watt HPS 4,000 Lumens	Colonial Light	CL2	\$	10.20

Poles shall be furnished by the cooperative at the following rates per pole per month:

15 ft Aluminum Pole	\$	4.26
30 ft Wood Pole	\$	3.50
30 ft Aluminum Pole for Cobra Head	\$	20.58
35 ft Aluminum Pole	\$	25.24
35 ft Aluminum Pole for Cobra Head	\$	24.79
40 ft Aluminum Pole	\$	28.25
40 ft Aluminum Pole for Cobra Head	\$	49.41
Power Installed Foundation	\$	7.04